Thinking outside . . .

N.S. LEGI
LIBRARY

RRFB Nova Scotia
2004 Annual Report

the loop.

Mission

Ensure that the people of Nova Scotia receive the maximum environmental and economic benefits associated with responsible solid waste management by developing and administering sustainable industry stewardship programs that increase diversion, assist in the establishment of new industries based on the processing of materials diverted from the waste stream, and provide incentives to residents to reduce, reuse, recycle and compost.

2004 MOBIUS ENVIRONMENTAL AWARD WINNERS

There was some great out-of-the-loop thinking in Nova Scotia this year. In recognition of their energy, efforts and creativity, the following individuals and organizations received RRFB Nova Scotia Mobius Environmental Awards:

Business of the Year
Crossley Carpet Mills Limited, Truro
and Sunflower Natural Foods, Antigonish

Institution of the Year
Acadia University, Wolfville

Industry Steward of the Year
ChemEx, Dalhousie University

Innovation in Waste Management
Touch on Wood, Sydney

Waste Management Education
Eco-Efficiency Centre, Dartmouth

Individual Excellence in Waste Management
Grace Proszynska, Wolfville

Region of the Year
Region Six Solid Waste Management, South Shore/West Hants

ENVIRO-DEPOT™ of the Year
Glace Bay Recycling, Glace Bay

Tire Retailer of the Year
Cheapy Tire-King Marketing Limited, Dartmouth

Hauler of the Year
High Tide Eco. Management Limited, Lantz

School of the Year
Dwight Ross Elementary School, Greenwood

Best Community-Based Project
The Connection Cleanup Project, North and East Preston

Volunteer of the Year
Digby Volunteer Fire Department, Digby

Nova Scotia is Creating a Major Diversion

Talk about turning liabilities into assets. Since 1996, when Nova Scotia adopted a new strategy to manage solid waste-resources, Nova Scotians have supported municipal and provincial programs that divert approximately 50% of waste from disposal. That means half the waste once buried in landfills is now being reused, recycled, composted – and increasingly, turned into new products and materials.

Nova Scotia's waste reduction record speaks volumes about our commitment and accomplishments. The province's programs and innovations serve as a standard for others. In 2000, we became the first province in Canada to reach 50% waste diversion. And since 1996, we have recycled more than 1.5 billion beverage containers and 5.5 million tires. It's no wonder Nova Scotia is recognized as a world leader in solid waste-resource management.

Counting our Successes in Fiscal 2004

The numbers tell the story

This year RRFB Nova Scotia provided:

- $7.2 million (72% of net revenues) to Nova Scotia's 55 municipalities for diversion credits and funding for local recycling, composting and other programs
- $7.5 million in handling fees to Nova Scotia's 84 Enviro-Depots
- $320,000 to private-sector projects to stimulate our economy and encourage value-added manufacturing
- $1.4 million to educate Nova Scotians and build ongoing support for environmental action

In fiscal 2004, RRFB Nova Scotia-funded programs diverted the following from disposal:

- 241 million beverage containers
- 912,000 used tires
- 2,145 derelict vehicles
- 259,000 litres of leftover paint
- 63,000 tonnes of organic waste through municipal composting programs
- and many tonnes of waste from illegal dump site cleanups

Message from the Chief Operating Officer

Like a ride on a Mobius loop, fiscal 2004 was filled with many twists and turns as RRFB Nova Scotia continued its journey toward a waste-less Nova Scotia. It was a year highlighted by challenges, successes and the unstoppable drive of Nova Scotians to remain world leaders in waste-resource management.

While this year's annual report chronicles our achievements in delivering diverse programs and fulfilling our five mandates, the report also salutes people and ideas. Between the day-to-day administration of our mandates and programs, between the funding numbers and statistics, it is easy to lose sight of a simple fact: RRFB Nova Scotia is about harnessing the creative energy and ideas necessary to divert solid waste from disposal. It's about the innovation and efforts of individuals and communities to ensure a bright environmental future. It's about "thinking outside the loop" to transform waste into something of value.

Nova Scotia is a small province, but our innovative waste diversion practices are making a big impression around the globe. This year RRFB Nova Scotia continued to host study tours for foreign decision-makers – which have included delegates from Japan, Russia, Bosnia, Ireland and other nations – who look to us for advice in developing and enhancing their own waste management systems. And we pursued new markets, in Canada and internationally, for the RRFB-developed ROCAPS 2000™ – a sophisticated tracking and information management system for recyclables.

This year RRFB Nova Scotia co-sponsored a major Extended Producer Responsibility Workshop in Halifax. National and international delegates promoted ways to reduce electronic waste from products such as computer equipment, phones, televisions, stereos and small home appliances – and explored methods to increase stewardship among manufacturers.

Nova Scotia's 84 Enviro-Depots are the backbone of the province's beverage container deposit-refund system. This year we made considerable progress working with depot operators to establish a collaborative approach to setting beverage container handling fees and implement new operating standards for depots.

In fiscal 2004, Nova Scotia municipalities carried on the vital work of delivering recycling, composting and other waste reduction and education programs at the local level. As usual, our municipal partners excelled at promoting active waste diversion among households, businesses and institutions. This was an especially busy year for cleaning up roadsides and illegal dumps throughout the province.

RRFB Nova Scotia's education and public awareness programs again helped promote waste diversion and inspired Nova Scotians to take action. This year RRFB Nova Scotia contracted Clean Nova Scotia to organize a provincial Waste Reduction Week. And the Nova Scotia Recycles Contest drew 6,000 entries from students in grades primary to 12. Our roving robot – Moby S. Loop – travelled over 30,000 km this year, promoting the benefits of reducing, reusing, recycling and composting.

One environmental champion that left his mark on RRFB Nova Scotia is Darrell Hiltz, who this year resigned as Chair of RRFB Nova Scotia's Board of Directors. In his five years as Chair, Darrell brought a new level of leadership and "big picture" thinking to RRFB Nova Scotia. He also championed the business development side of RRFB Nova Scotia and challenged us to look at new ways to turn solid waste into an economic opportunity for Nova Scotians.

> "We're trying to protect the environment for future generations. Isn't that what this is all about?" – *Derek R. Firth*

We look forward to another successful year of building partnerships and relationships with the Nova Scotia Department of Environment and Labour, the province's 55 municipalities, 900 tire retailers, 84 Enviro-Depots and all Nova Scotians to protect and enhance our environment – and to continue to *think outside the loop.*

On behalf of RRFB Nova Scotia, I am proud to present our eighth annual report, for the fiscal year ended March 31, 2004.

D R Firth

Derek R. Firth, CA
Chief Operating Officer

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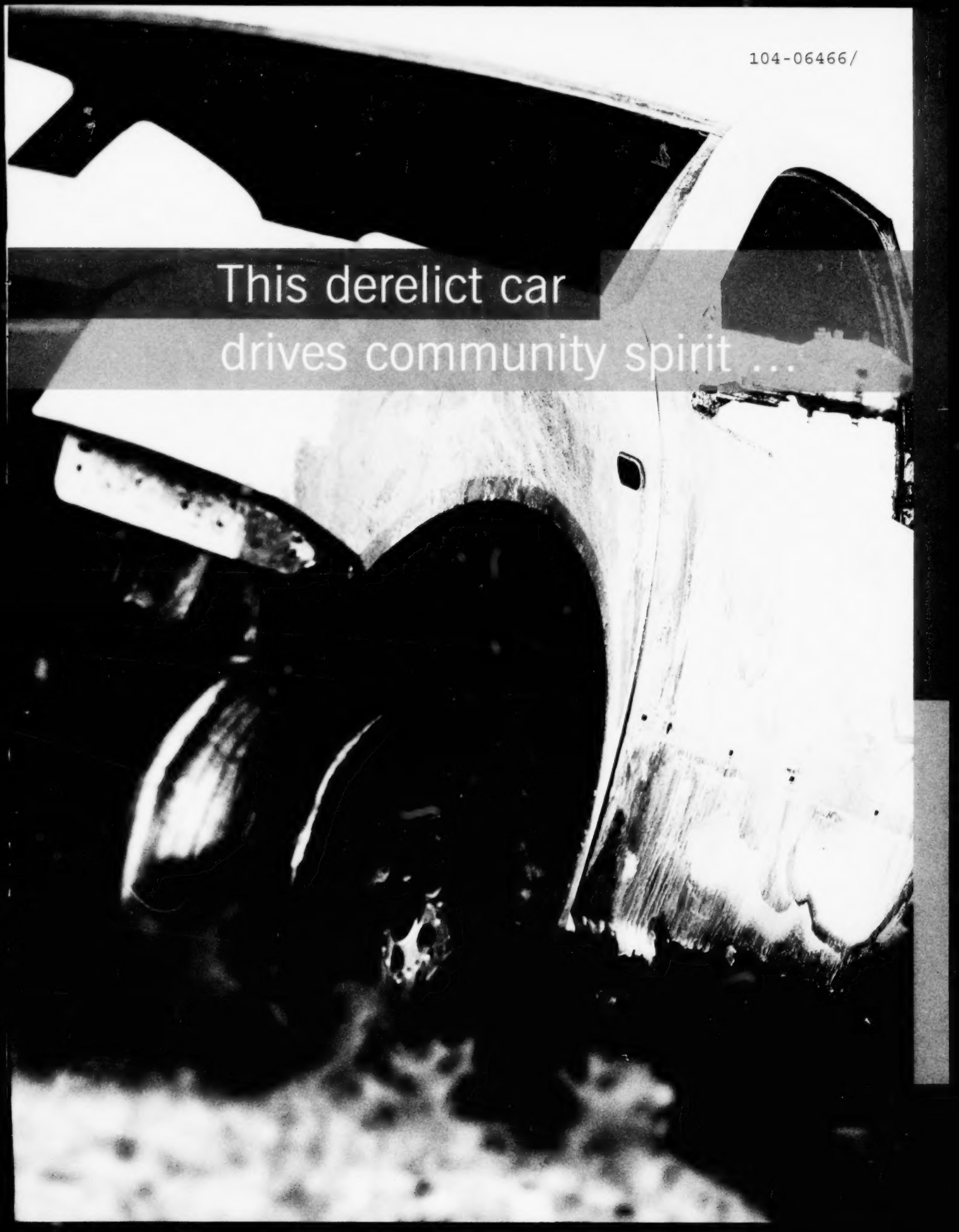
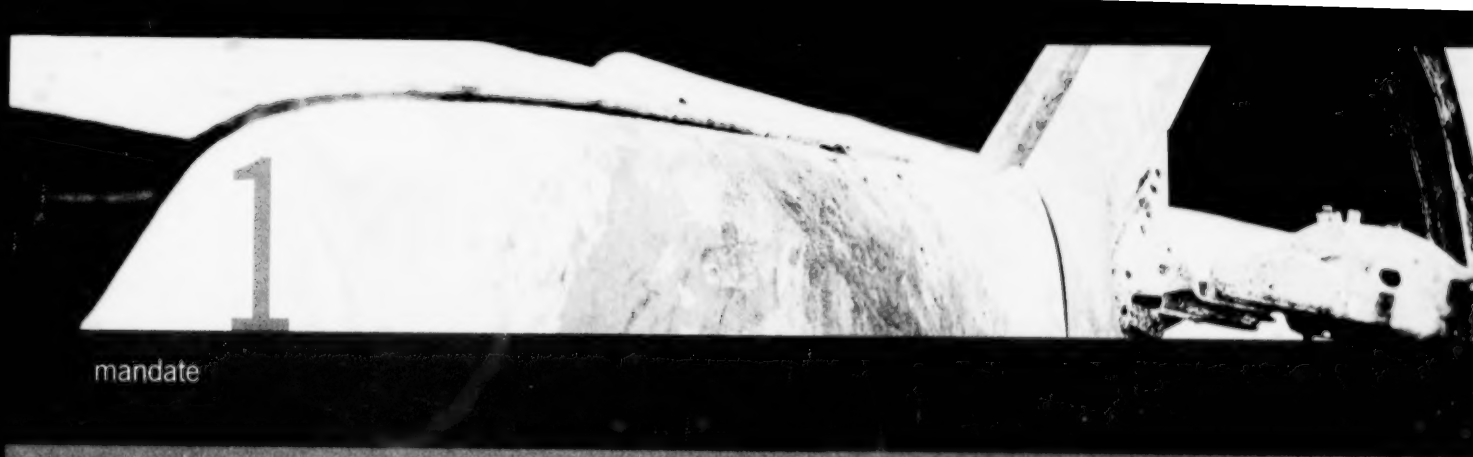


This derelict car drives community spirit ...



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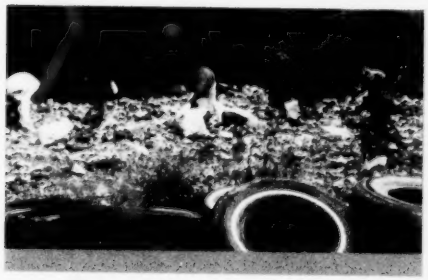
mandate

Fund Municipal or Regional Diversion

Connecting with Local Solutions

Upper Governor Road connects the communities of North and East Preston and is known locally as the "Connector Road." Because the road is uninhabited and isolated, it has been an illegal dumping ground for decades.



Volunteers clean up Upper Governor Road in North Preston

Clean Nova Scotia decided to tackle the problem. With the help of funding from Halifax Regional Municipality, RRFB Nova Scotia and the assistance of the Nova Scotia Youth Conservation Corps, Clean Nova Scotia organized a community-based approach to solving the problem. In the summer of 2003, they initiated a door-to-door campaign to gain community support for a massive cleanup project. The group also solicited the help of the Halifax Regional Water Commission, and the Department of Transportation and Public Works, to haul away debris collected during the project.

In total, 164 tonnes of material was collected and either recycled or sent for disposal. The materials recycled included 125 tires, 23 abandoned cars, and 75 large appliances. Cleanup efforts didn't stop there. Ongoing education and awareness, as well as enforcement of illegal dumping regulations, will keep Upper Governor Road from becoming a dumping ground again.

ACTION PLAN 2003-2004

Pay a minimum of 50% of net revenues to the municipalities or regions based on the solid waste they divert from disposal.

Seek new opportunities to increase net revenues available for distribution.

Programs

Compost and recycling facilities in Colchester County

In fiscal 2004, RRFB Nova Scotia distributed $7.2 million, or 72 percent of net revenues, to the 55 municipalities across the province. The funding contributed to waste diversion programs, municipal approved programs, education and awareness contracts, derelict vehicle removal, household hazardous waste disposal and paint swap programs.

Illegal dumping of waste – from derelict vehicles to appliances to garbage – is a serious issue in many rural communities. This year Nova Scotia municipalities made significant progress towards cleaning up and recycling waste from illegal dumps across the province. RRFB Nova Scotia approved $177,000 in funding to 11 municipal projects for the identification and cleanup of illegal sites. This continuing program promises to be a sweeping success.

Region 1 – Cape Breton

The Cape Breton Region launched several successful initiatives in 2003. From the fun-filled Enviro Fair hosted by ACAP Cape Breton to Waste Reduction Week Awards, Cape Breton continued to excel in education and awareness initiatives. Cape Breton Solid Waste Resource Management even won a national award for its "Recycle Right" television commercial.

In rural Cape Breton, the Eskasoni First Nation implemented a curbside recycling program and Richmond County increased its recycling rate substantially by introducing a clear bag program for garbage. Illegal dump sites throughout Cape Breton Island continued to be identified and cleaned up.

Region 2 – Eastern

This year, construction was completed on the new Household Hazardous Waste building, located at the Guysborough Waste Management Facility. The Municipality of the County of Antigonish purchased two more containers for community cleanups. Businesses in the Town of Antigonish and throughout Pictou County were offered waste audits that helped to reduce waste in their facilities.

Pictou County initiated a recycling program for seniors and provided recycling containers to 20 seniors' residences. The Pictou County compost facility continued to sell compost and offer give-aways for residents. Compost also enhanced the facility's community garden that supplies garden produce for local food banks. In 2003, Pictou County launched a massive cleanup of over 19 illegal dump sites – removing nearly 525 tonnes of material that was then landfilled or recycled.

Region 3 – Northern

The Municipality of Colchester hired four "litter pickers" who collected over 11 tonnes of waste and 260 kg of recyclables from almost 200 km of highway. In addition, volunteer groups cleaned 23 km of highway and interchanges, removing another tonne of litter.

In 2003, over 1000 residents from Truro, Stewiacke and Colchester received 120 tonnes of compost during a spring give-away at the Colchester Compost Facility. An additional 570 tonnes was sold during the year. The Municipality of East Hants also held a compost give-away, with 800 residents visiting the Georgefield Landfill site for free compost. East Hants also updated its solid waste by-law to encourage source separation of waste, and discourage illegal dumping. Cumberland County took up the challenge of cleaning up 34 illegal dump sites. Over 380 tonnes of material was collected and properly disposed of or recycled.

RRFB Nova Scotia allocated $67,000 for the recovery of 2,145 derelict vehicles in 2003-04.

Municipal green carts and backyard composting

Region 4 – Halifax Regional Municipality

In 2003, an external review of the municipality's waste-resource management strategy concluded that HRM met most of its original goals, but had not yet reached its targeted 60 percent waste diversion rate. A further waste characterization study of residential and commercial waste at the Otter Lake landfill facility determined that 20 percent of the waste is paper that should be recycled and organics that should be composted. Next year, HRM will develop strategies to divert more of these materials from the waste stream.

In 2003, HRM targeted 5,000 apartment units to encourage owners and property managers to recycle and compost. The municipality also worked with nearly 200 community groups to clean up litter and illegal dump sites throughout HRM. In addition, a pilot study of weekly summer green cart collection was launched, and will be expanded in 2004.

Region 5 – Annapolis Valley

Two large-scale cleanups of illegal dump sites were carried out in the fall of 2003 in Kings and Annapolis Counties. Both cleanups were a joint effort of local community members, the land owners (Nova Scotia Power and Bowater Mersey), and Valley Waste-Resource Management (VWRM).

For the past two years, VWRM staff have been developing a system to safely decommission one-pound propane tanks – the type usually used in camp stoves and propane torches. In addition, VWRM now has two "bulb eaters" in service – one at each transfer station. Fluorescent tubes contain mercury vapour and phosphor dust, both of which can be toxic. The machines crush the glass and filter out the mercury vapour and phosphor dust, which is then disposed of as hazardous waste.

Region 6 – South Shore and West Hants

Region 6 Solid Waste Management comprises 11 municipal units, including the Towns of Shelburne, Lockeport, Bridgewater, Lunenburg, Mahone Bay, and Windsor as well as the Municipalities of West Hants, Chester, Lunenburg, Queens Region, and Shelburne. In the spring of 2004, Region 6 was chosen Region of the Year at RRFB Nova Scotia's Mobius Environmental Awards for its innovative waste-resource management initiatives. The Lunenburg area was the first in the province to introduce green cart organics collection; and Rissers Beach Provincial Park and the Bridgewater Mall pioneered successful recycling and composting programs. This year, Region 6 began working with the school boards in their area to develop a comprehensive integrated waste-resource management policy for local schools and their boards. The policy will be a model for other school boards across the province.

Region 7 – Western

In 2003, the Region's *Waste Check* authority continued to build education and awareness in the Industrial, Commercial and Institutional (IC&I) sector. *Waste Check* helped over 265 owners and managers improve their waste-resource management practices. Numerous schools were encouraged to "green" their facilities and were offered cost-sharing on their recycling containers. Also, 70 four-stream waste separation containers were purchased and placed in public locations throughout the region. In addition to these projects, *Waste Check* conducted door-to-door curbside education in residential areas.

During the summer of 2003, *Waste Check* and the Nova Scotia Youth Conservation Corps helped to "green" festivals and events, and participated in seven community parades to promote recycling, composting and other waste diversion practices. In addition, over 40 litter cleanups were held throughout the region.

East Meets Waste

In September, 28 scientists, academics and local government representatives from Japan toured Nova Scotia to learn about solid waste-resource management. The delegation spent four days studying Nova Scotia's diversion programs and practices.

Tour of New Era Farms composting facility

This tag
is a high-tech tracking device ...
49452 3
1 00000

mandate

Develop and Operate a Deposit-Refund

Keeping Recyclables on the Right Track

With upwards of a quarter-billion beverage containers traveling through RRFB Nova Scotia's deposit-refund system each year, it's essential to have a reliable method of tracking containers and other recyclables.

Scanning bags of PET bottles

First developed by RRFB Nova Scotia in 1996, the Recovery Operations Collection and Payment System, or ROCAPS 2000™, tracks recyclables such as beverage containers, tires and paint. Using a tagging system, this state-of-the-art program has the capacity to electronically process more than one million field transactions and make 15,000 payments each year to vendors that collect, handle and process recyclables.

ROCAPS 2000™ is a unique tool for administering waste management programs – and it has great potential for other uses. This year, RRFB Nova Scotia actively marketed this "made in Nova Scotia" solution to potential national and international customers that need a proven, powerful tracking system.

ACTION PLAN 2003-2004

Administer a cost-effective deposit-refund system that maximizes the recycling of redeemable beverage containers.

Operate a centralized quality control function to verify the accuracy of reported counts by ENVIRO-DEPOT™ operators and to ensure that reimbursement is made only for redeemable beverage containers.

System for Beverage Containers

Enviro-Depots are a critical part of Nova Scotia's beverage container deposit-refund system. These independently-owned businesses provide a convenient means for Nova Scotians to recycle beverage containers and other materials.

Throughout fiscal 2003, RRFB Nova Scotia worked closely with recyclers and other industry partners to balance the financial needs of ENVIRO-DEPOT™ operators with those of our other mandates, which also depend on fair and consistent funding.

Sorting beverage containers at Preston Recycling ENVIRO-DEPOT™

RRFB Nova Scotia made significant progress in establishing interim container handling fees this year. On April 1, 2003, handling fees increased to 3.1 cents per container, with a retroactive increase to 3.0 cents for the previous year. And on April 1, 2004, ENVIRO-DEPOT™ operators will receive an additional increase in handling fees to 3.4 cents per container (for the first 2 million containers). Handling fees for beer bottles also increased. The combined increase in handling fees will benefit all Enviro-Depots, especially smaller rural operators who make up half of all depots in the province.

In June 2003, RRFB Nova Scotia formed a joint committee to study ENVIRO-DEPOT™ operating standards and procedures and develop a strategy for setting fair beverage container handling fees using sound information in an open, collaborative fashion. ENVIRO-DEPOT™ operators, RRFB Nova Scotia and the Brewers of Canada are represented on the committee. The committee completed a draft operating procedures manual and RRFB Nova Scotia will deliver the final manual – and a series of training sessions – to depot operators in the summer of 2004. The new guidelines will help these businesses provide consistently high standards of customer service and improve quality control practices.

241 million beverage containers were redeemed in Nova Scotia in fiscal 2004. That's a 79% return rate.

Temporary recycling depot in Halifax

Temporary Recycling Depot Supports Food Banks in Nova Scotia

When a central Halifax ENVIRO-DEPOT™ closed in August 2003, RRFB Nova Scotia quickly set up a temporary recycling facility to ensure that area residents could continue to return their beverage containers for a refund. Thanks to RRFB Nova Scotia staff (who worked at the facility) and the Nova Scotia Liquor Corporation (which provided the site), the interim operation filled an important demand for recycling services. Handling the proceeds of $43,000 from the temporary depot was donated to the Metro Food Bank Society (Nova Scotia) to help support the services they provide in the community. After a thorough review of case proposals, such permanent ENVIRO-DEPOTS™ opened in January 2004 in seven central Halifax

Glace Bay Recycling Limited Named ENVIRO-DEPOT™ of the Year

Glace Bay Recycling Limited is a model for all Enviro-Depots around the province. Glace Bay Recycling practices waste reduction by reusing as many materials as possible in their business. They are known for their excellent customer service and advice to customers on how to "recycle right." Staff even offer customers blue bags for non-refundable containers that are mistakenly returned to the depot. Depot staff also refer customers to the municipal and RRFB Nova Scotia hot-lines for assistance with recycling questions. Glace Bay Recycling keeps excellent records, and audits always show that they are well below acceptable limits for error.

Peter Gaskell, owner of Glace Bay Recycling, receives the ENVIRO-DEPOT™ of the Year Award from Derek R. Firth, CAO and Mike Blanchard, Acting Chair of RRFB Nova Scotia

This used computer
is a window of opportunity...

mandate

Develop and Implement Voluntary Industry

Closing the Circuit on Electronic Waste

While today's electronic products may make us more productive and efficient, they're also turning into a major solid waste management problem.

Nova Scotia is exploring ways to turn e-waste into new products.

In Nova Scotia, approximately 4,500 tonnes of used electronic goods were disposed of in 2003. This "e-waste" included computer monitors and parts, cell phones, televisions, stereos and small home appliances. In 2003, approximately 155 tonnes of lead, 110 kg of cadmium and 25 kg of mercury from e-waste were discarded, creating the potential for serious environmental problems.

RRFB Nova Scotia is working with the other Atlantic provinces to develop new products and markets for the e-waste generated in our region. And we continue to look for opportunities to turn e-waste into a marketable resource.

ACTION PLAN 2003-2004

Administer the Used Tire Management and Nova Scotia Paint Recycling Programs to ensure compliance with the *Solid Waste-Resource Management Regulations* and ensure that Nova Scotians receive maximum environmental and economic benefits.

Work together with industry, municipalities and the Province to develop stewardship programs that support Nova Scotia's Solid Waste-Resource Management Strategy.

Stewardship Agreements

Atlantic Recycled Rubber tire recycling plant in Colchester County

Industry stewardship programs help companies share responsibility for the recycling and disposal of products they manufacture. Stewardship ensures that a product's ultimate diversion and disposal are given as much importance as its creation and sale.

Sorting paint at The Paint Recycling Company in Springhill

The next time you drive down a highway or take in a soccer game, think about the hidden value of recycled tires. Nova Scotia diverted over 912,000 used tires from disposal in fiscal 2004 under the Used Tire Management Program. That's a recovery rate of nearly 86 percent. Nova Scotia companies continued to roll out new products and devise clever uses for recycled tires, including highway surfacing, Field Turf® for soccer fields, and even children's swings.

This year, RRFB Nova Scotia and the provincial Department of Environment and Labour joined with peer agencies in Atlantic Canada to curb the rapidly growing volumes of end-of-life electronics, or "e-waste." With funding assistance from Natural Resources Canada and Electronic Product Stewardship Canada (EPS Canada), the Atlantic committee commissioned an Electronic Waste Recovery Study. Scheduled for completion by the end of the 2004 calendar year, the study will identify the existing national infrastructure for reusing and recycling end-of-life electronics. It will also identify detailed options and economic opportunities for an Atlantic Canada system that encompasses collection, reuse and recycling of e-waste.

This year 259,000 litres of leftover paint were turned into new paint. That's enough paint to cover the interior of roughly 1,900 two-storey houses.

Nova Scotia Paint Recycling Program

Applying tire crumb and playing soccer on a Field Turf® soccer field in Halifax

In March 2004, delegates from across Canada and around the world gathered in Nova Scotia for the 3rd National Extended Producer Responsibility Workshop. Participants explored ways to get producers to properly manage their products from the "cradle to the grave."

The *Nova Scotia Paint Recycling Program* marked its first anniversary on June 1, 2003. Managed by RRFB Nova Scotia in cooperation with the paint industry and retailers, the program is designed to bring new life to leftover paint – and save a valuable resource. Under the program, used paint is turned into new paint and marketed under various brand names – including *Nature Colours*. A paint recycling facility located in Springhill has created 12 jobs as a result of the program.

In fiscal 2004, RRFB Nova Scotia continued to work with the food service industry to increase composting and waste diversion practices. In April 2003, RRFB Nova Scotia commissioned Clean Nova Scotia to study source separation practices in quick-service restaurants in the province. Completed in September, the study identified seven key challenges to source separation in quick-service restaurants, including proper waste containers and colour-coded signage – plus increased education for restaurant staff, haulers, head office management and the public. The study also focused on several restaurants in the Bridgewater area, where successful source separation programs have been in place for the past few years.

This year Nova Scotia expanded its stewardship agreements to include an agreement with Aliant ActiMedia, to recycle Yellow Pages™ directories throughout the province. Aliant ActiMedia will provide in-kind advertising to help promote solid waste-resource management in the province. The Aliant ActiMedia stewardship agreement complements the daily and community newspaper stewardship agreements that offer advertising credits to promote waste reduction, recycling and composting in Nova Scotia.

This year Nova Scotia's established industry stewardship agreements continued to demonstrate that the province is a leader in developing extended producer responsibility agreements. Now in its fourth year, the Residential Sharps Stewardship Agreement between the Pharmacy Association of Nova Scotia, Canadian Diabetes Association, Nova Scotia Department of Environment and Labour, and RRFB Nova Scotia continued to provide a safe disposal method for residential medical syringes, lancets and pen needles. In addition, the Nova Scotia Milk Processors' Division of the Atlantic Dairy Council provided funding to Nova Scotia's municipalities for recycling milk containers through the Nova Scotia Milk Packaging Stewardship Agreement.

These magazines are a work of art ...

mandate

Develop Education and Awareness of Source

Creating Crafty Diversions

Many people view magazines as a disposable source of news and entertainment. But kids have a much different read on creativity – and thinking outside the loop.

Jaime Gerrits of Kings County created this artwork using old magazines. Her entry was chosen as the provincial winner in the Grade 7-9 category of the Nova Scotia Recycles School Contest.

This year, the Nova Scotia Recycles Contest challenged students across the province to think about the 3R's – reduce, reuse and recycle – and composting as they created "treasures from trash," designed ads using old magazines, and researched the relationship between youth and litter.

Six thousand contest entries were received from students in grades primary to 12. More than $28,000 in prizes was awarded to schools and students at regional awards celebrations held in February. Prizes ranged from promotional items made from recycled products to $1,000 scholarships for winning Grade 12 students. Winners and runners-up were selected in each of Nova Scotia's seven solid waste-resource management regions.

ACTION PLAN 2003-2004

Deliver provincial education and awareness programs that promote waste reduction, reuse, recycling and composting.

Assist in the development and enhancement of regional education and awareness programs that encourage participation in municipally-operated waste reduction programs.

Reduction, Reuse, Recycling and Composting

One of the key reasons Nova Scotia remains a world leader in recycling and composting is the quality and consistency of its education and awareness efforts. Drawing on the imagination and energy of environmental groups, educators, students and community organizations, RRFB Nova Scotia continued to provide information and inspiration to help Nova Scotians reduce and divert waste. In fiscal 2004, RRFB Nova Scotia committed $1.4 million to promote education and awareness of the 3R's and composting.

Waste Reduction Week

This year, RRFB Nova Scotia worked with Clean Nova Scotia and municipal waste reduction educators to organize a variety of province-wide Waste Reduction Week activities. It turned out to be the most successful Waste Reduction Week to date. There were several contests held throughout the province to promote waste reduction, including an ENVIRO-DEPOT™ contest and the "Just Between Families" contest, which encouraged families to submit their waste reducing strategies for a chance to win a weekend get-away at Liscombe Lodge.

From community swaps in Yarmouth, Digby and Halifax to Waste Reduction Week Awards in Cape Breton, Nova Scotians eagerly participated in Waste Reduction Week activities. Regional educators awarded prizes to residents and businesses that were doing their part to reduce waste and protect the environment.

Over 8,000 student entries were received in 2003.

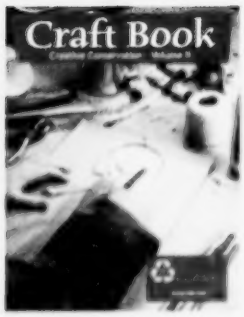
Educational Resources

RRFB Nova Scotia produced its second Craft Book, a guide to making crafts out of recyclable materials. Ideas for the book were based on "Treasures from Trash" winning entries from the 2002 and 2003 Nova Scotia Recycles Contest. Now, that's the kind of reuse that really pays off for crafty Nova Scotians.

A poster to educate residents on the hazards of open burning was developed in 2003. It was distributed to municipal waste reduction educators and put on display at festivals and events. In addition, RRFB Nova Scotia's popular *Green Office Checklist* brochure was revamped and distributed throughout the province.

In March 2004, RRFB Nova Scotia produced the *Sorting it Out* guide and poster to help quick-service restaurant owners and managers play an active role in waste reduction. The guide provides an overview of waste-resource management regulations that apply to restaurants plus background information and techniques to help owners and employees implement a recycling and waste separation program in their business.

RRFB Nova Scotia now has a wide selection of French resource materials. The *Green Office Checklist*, RRFB Nova Scotia's Corporate Brochure, the ENVIRO-DEPOT™ brochure, and the *Learn to be a Leader in Recycling* activity book have all been translated.



Paint Recycling Campaign

Promotion of the Nova Scotia Paint Recycling Program got a fresh coat this year. In the fall of 2003, information packages were sent to over 400 paint retailers. An advertising campaign through cable and public television, daily and community newspapers, and busboards in Halifax and Sydney promoted the paint recycling program. Industry and public participation in the program has been very positive since it was launched in June of 2002.

Community Sponsorship Program

In 2003, RRFB Nova Scotia continued to offer sponsorship funding to community groups and organizations which organize events or programs that support the mandates of RRFB Nova Scotia. A total of $34,300 was distributed to 79 initiatives across the province including "greening" of the Inverness Crab Festival, supporting the Lunenburg Board of Trade's "Green Office Challenge," funding the Digby County Exhibition Society's construction of waste separation containers for the fair grounds and funding the waste diversion program at the 2004 Showcase for Nova Scotia Youth Experiences in Science.

Partnerships

In 2003, RRFB Nova Scotia joined with other not-for-profit organizations to deliver programs that benefit all Nova Scotians. Support for Clean Nova Scotia programs like the *Great Nova Scotia Pick-Me-Up* helped fund community cleanups, and the *Planet Action Club for Kids* newsletter brought environmental education to classrooms across the province.

RRFB Nova Scotia continued to work with the Eco-Efficiency Centre to enhance and maintain the *Nova Scotia Materials Exchange*, a free online database listing of surplus or wanted materials for sale or trade. In 2004, The Eco-Efficiency Centre was the recipient of the Mobius Environmental Award for Waste Reduction Education for their efforts to educate Nova Scotia businesses about energy efficiency and waste reduction.

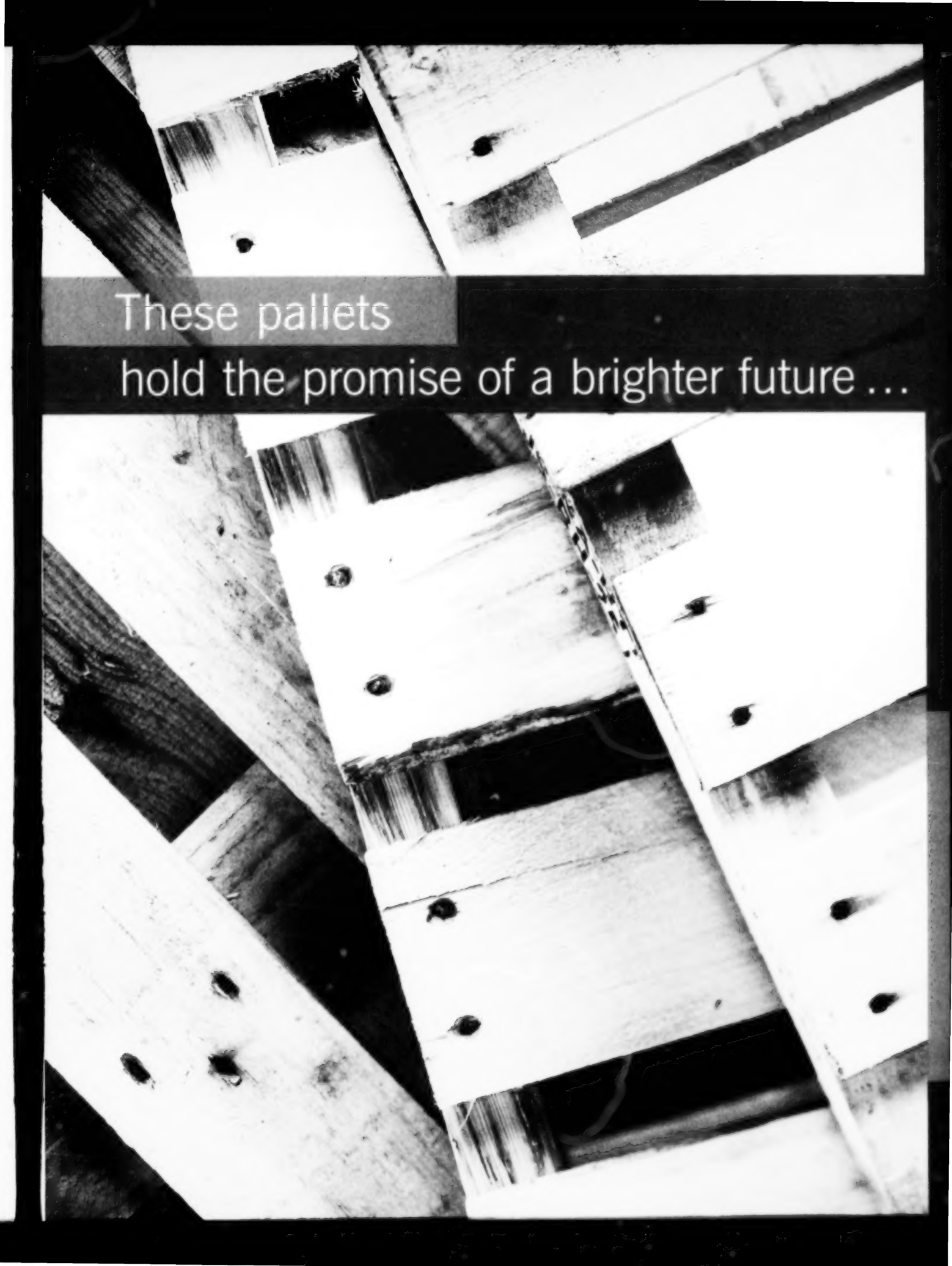
Plant a Row • Grow a Row

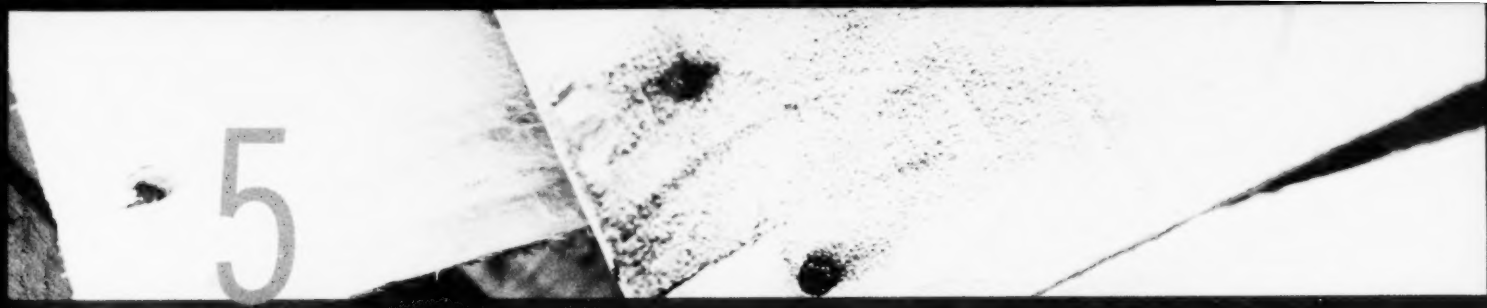
RRFB Nova Scotia supported the "Plant a Row • Grow a Row" campaign, which was launched in May. The national program creates partnerships between gardeners and local food banks to help provide fresh produce for food banks. Gardeners and municipal compost facilities were prompted to grow a row of vegetables in their garden for their local food bank – and food bank clients were encouraged to get involved in gardening and composting.

Moby S. Loop

Now there's someone that really knows how to think outside the loop. Moby S. Loop, RRFB Nova Scotia's popular recycling robot, had a busy year rolling into festivals and events from one end of the province to the other. Our intrepid mascot travelled over 10,000 km, spreading the message about the benefits of reducing, reusing, recycling and composting waste. Moby attended more than 50 events – including trade shows and exhibitions, awards dinners and parades – and visited upwards of 70 schools during his travels.

An avid "cyber-boy," Moby took to the Internet this year. Nova Scotians can now go online to thank Moby for their school or community event, or check out his touring schedule. Can a live Moby Cam be far behind?


These pallets
hold the promise of a brighter future ...



mandate 5

Promote the Development of Value-Added

Turning Wood Waste into Opportunity

Strawberry flats made from recycled pallets at Touch on Wood in Sydney

This year with the help of RRFB Nova Scotia, Touch on Wood upgraded its woodworking equipment to better recycle wooden pallets destined for disposal. By "thinking outside the loop," Touch on Wood devised innovative yet simple ways to convert waste pallets into new products such as strawberry, raspberry and apple crates – as well as a new line of flower boxes.

At Touch on Wood nothing is discarded. Any waste from the pallet deconstruction process is further recycled. Smaller pieces of wood are made into survey stakes for the Department of Transportation and Public Works. Leftover material is given to needy families for kindling, and sawdust is given to local farms for livestock bedding. So far, Touch on Wood has recycled 30,000 used pallets and provided meaningful employment to 19 clients. Touch on Wood is an inspiring example for other community organizations across the province.

Assist in the establishment of new businesses by providing funding for research and development

Provide financial assistance to business to manufacture new products from materials recovered from the waste stream

Manufacturing in Nova Scotia

Novapet Inc.

Located in Amherst, Novapet continued to be a true Nova Scotia value-added success story in fiscal 2004. It was a turn-around year for the company, which saw a new management structure and a return to profitability. Novapet is a recognized leader in recycling plastics – such as PET (polyethylene terephthalate) used for pop bottles. The PET is ground and flaked and sold to plastics manufacturers that turn the flake into a variety of materials like plastic sheeting, carpet, fibrefill, packaging and even clothing. This year the company worked with international experts and manufacturers – including DuPont in the US – to test the recyclability of new plastics used for packaging beverages.

PET flake

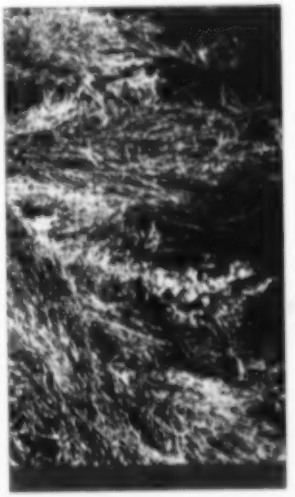
Composting R&D Study

This year RRFB Nova Scotia and the provincial Department of Environment and Labour continued to promote Research and Development projects that help to increase the value of materials diverted from the waste stream. Bio-logic Environmental was commissioned to study the 18 compost facilities around the province and determine the stability, quality and potential value of the compost. Stable, mature compost has a higher market value than immature compost and is better suited for landscaping applications. The report recommended ways in which municipal compost facilities could increase the value of their compost.

Value-Added Manufacturing Approved Funding Program

In fiscal 2004, RRFB Nova Scotia approved $320,000 for seven projects to help stimulate local economies and encourage value-added manufacturing. The projects combined Nova Scotians' famous ingenuity with strong business sense.

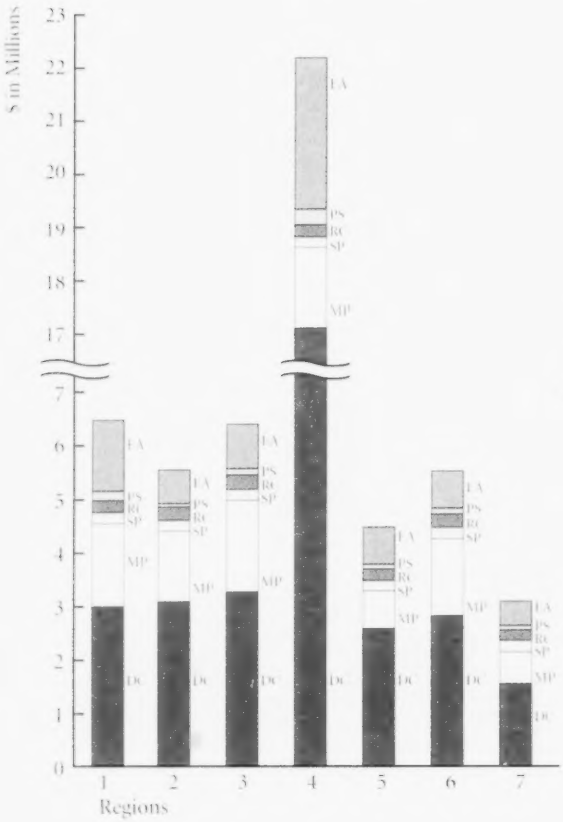
Take Acadian Seaplants Limited, for example. This Dartmouth-based manufacturer of seaweed-based food and agricultural products has devised a way to turn waste from its operations into new products for global markets. Instead of disposing of large volumes of seaweed by-products from its operations, the company will extract more of the nutrient-rich liquids from the seaweed and then use the remainder to make soil additives and other products. RRFB Nova Scotia has helped fund the extraction process that will divert 9,500 tonnes of organic material from disposal and create 14 new full-time jobs.



Seaweed, such as flackweed, is further processed to extract more nutrients and reduce waste in products

RRFB Nova Scotia also funded 38 Martock Crafters, a Windsor company that manufactures mats and swings from rejected factory tires. The funding was used to construct a new building, which makes production more efficient and allows 38 Martock to increase its volume and sales. By turning rejected tires into marketable products the company will divert 14,700 kg of scrap tires from the waste stream. That's something to swing about.

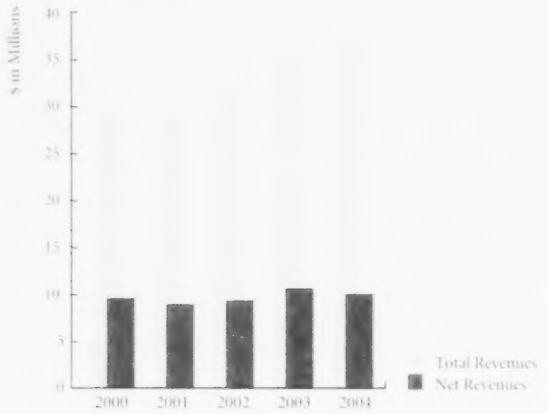
Municipal Funding from RRFB Nova Scotia across our 7 regions, 1997–2004



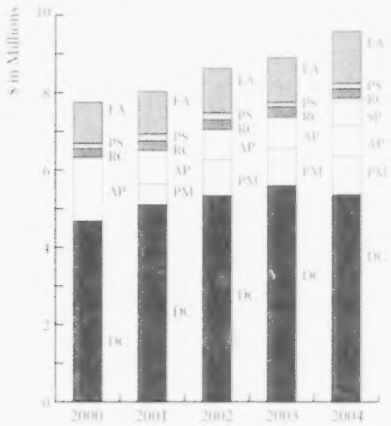
EA Education and Awareness
PS Paint Swaps/Household Hazardous Waste/Derelict Vehicles
RC Regional Chairs and Coordinators
SP Special Payments
MP Municipal Approved Programs
DC Municipal Diversion Credits

Operating Results & Distribution of Net Revenues

Operating Results



Distribution of Net Revenues



EA Education and Awareness
PS Paint Swaps/Household Hazardous Waste/Derelict Vehicles
RC Regional Chairs and Coordinators
SP Special Municipal Payment
AP Approved Programs
PM Provincial Solid Waste Management
DC Municipal Diversion Credits

AUDITORS' REPORT

To the Board of Directors of the Resource Recovery Fund Board Inc.

We have audited the statement of financial position of the Resource Recovery Fund Board Inc. as at March 31, 2004 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Resource Recovery Fund Board Inc. as at March 31, 2004 and the results of its operations, changes in net assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Truro, Nova Scotia
May 6, 2004

Grant Thornton LLP
Chartered Accountants

STATEMENT OF FINANCIAL POSITION
March 31

	2004	2003
Assets		
Current		
Cash and cash equivalents	$ 15,295,688	$ 14,319,338
Receivables	2,924,762	3,244,495
Accrued interest receivable	56,444	52,306
Inventory	84,118	79,351
Note receivable from an affiliated company (Note 3)	185,145	150,000
Prepaids	250,571	133,477
	18,796,728	17,958,967
Investment in affiliated company (Note 4)	241,123	203,845
Equipment (Note 5)	767,937	861,035
Organizational costs, net of accumulated amortization	86,726	113,222
	$ 19,892,514	$ 19,137,069
Liabilities		
Current		
Payables and accruals	$ 3,525,625	$ 4,214,494
Municipal solid waste diversion credits payable	6,042,160	5,560,000
Unearned revenue	3,780,600	3,406,300
	13,348,385	13,180,794
Net assets		
Invested in capital assets	854,663	974,257
Invested in value-added manufacturing	241,123	203,845
Restricted for future projects	3,195,344	1,995,344
Restricted for approved programs	2,252,999	2,782,829
	6,544,129	5,956,275
	$ 19,892,514	$ 19,137,069

Commitments (Note 7)

See accompanying notes to the financial statements

On Behalf of the Board — Lloyd Matheson, Director — Mike Blanchard, Director

STATEMENT OF OPERATIONS

Year Ended March 31

	2004	2003
Revenues		
Deposits		
Gross revenues from deposits	$ 29,826,716	$ 28,977,029
Less: Harmonized sales tax	–	(356,777)
	29,826,716	28,620,252
Sales of recyclable materials	3,077,980	3,121,194
Stewardship	961,164	656,202
Tire program	3,055,263	3,032,970
Total revenues	36,921,123	35,430,618
Cost of sales		
Inventory, beginning of year	79,351	91,461
Deposit refunds	12,554,554	11,722,871
Enviro-Depot handling fees	7,457,207	6,980,209
Local cartage	935,980	920,333
Regional processing	894,995	856,606
Freight-in	149,605	140,096
Central processing expenses	647,769	515,678
Non-deposit materials	33,911	137,290
Used tires	2,472,541	2,036,944
Paint program	852,723	702,593
	26,078,636	24,104,081
Less inventory, end of year	84,118	79,351
	25,994,518	24,024,730
Gross margin	10,926,605	11,405,888
Administrative expenses	1,441,003	1,146,454
Operating income	9,485,602	10,259,434
Interest and other income	359,380	307,083
	9,844,982	10,566,517
Equity in net profit (loss) of an affiliated company	37,278	(172,355)
Excess of revenues over expenses	$ 9,882,260	$ 10,394,162

See accompanying notes to the financial statements

STATEMENT OF CHANGES IN NET ASSETS

Year Ended March 31

Net Assets	Invested in Capital Assets	Invested in Value-added Manufacturing	Restricted for Future Projects	Restricted for Approved Programs	Net Revenues	2004 Total	2003 Total
Balance, beginning of year	$ 974,257	$ 203,845	$ 1,995,344	$ 2,782,829	$ –	$ 5,956,275	$ 4,734,009
Excess of revenue over expenses	(307,017)	37,278	–	–	10,151,999	9,882,260	10,394,162
Investment in capital assets	187,423	–	–	–	(187,423)	–	–
	854,663	241,123	1,995,344	2,782,829	9,964,576	15,838,535	15,128,171
Internally imposed restrictions	–	–	–	4,982,288	(4,982,288)	–	–
Payments during the year							
Education and awareness	–	–	–	(1,380,031)	–	(1,380,031)	(1,164,460)
Regional co-ordinators	–	–	–	(244,500)	–	(244,500)	(242,500)
Approved programs	–	–	1,200,000	(2,082,829)	339,872	(522,957)	(1,204,936)
Nova Scotia Department of Environment & Labour	–	–	–	(996,500)	–	(996,500)	(1,000,000)
Derelict vehicle program	–	–	–	(69,527)	–	(69,527)	–
Household hazardous waste program	–	–	–	(38,711)	–	(38,711)	–
Allocation to Municipal solid waste diversion payable	–	–	–		(5,342,160)	(5,342,160)	(5,360,000)
Special Municipal allocation	–	–	–	(700,000)	–	(700,000)	–
Balance, end of year	$ 854,663	$ 241,123	$ 3,195,344	$ 2,252,990	$ –	$ 6,344,129	$ 5,956,275

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year Ended March 31

Increase (decrease) in cash and cash equivalents:	2004	2003
Operating		
Excess of revenues over expenses	$ 9,882,260	$ 10,394,162
Equity in net profit/loss of affiliated company	(37,278)	172,355
Depreciation and amortization	302,889	280,147
Loss on sale of equipment	4,129	4,137
	10,152,000	10,850,801
Change in non-cash operating working capital		
Receivables	295,595	(168,720)
Inventory	(4,767)	12,110
Prepaids	(117,094)	(91,207)
Payables and accruals	(206,709)	1,294,429
Unearned revenue	374,300	(96,100)
	10,493,325	11,801,313
Investing		
Proceeds from sale of equipment	17,134	1,279
Purchase of		
Equipment	(204,558)	(379,249)
Organizational costs	–	(100,753)
Investment in value-added manufacturing	–	(369,200)
Issuance of note receivable to an affiliated company	(35,145)	(150,000)
	(222,569)	(997,923)
Allocation of net assets to:		
Municipal solid waste diversion	(5,342,160)	(5,560,000)
Approved programs	(3,952,246)	(3,611,896)
	(9,294,406)	(9,171,896)
Net increase in cash and cash equivalents	976,350	1,631,494
Cash and cash equivalents, beginning of year	14,319,338	12,687,844
Cash and cash equivalents, end of year	$ 15,295,688	$ 14,319,338

See accompanying notes to the financial statements

Notes to the Financial Statements

1. Nature of operations

The Resource Recovery Fund Board Inc. is a not-for-profit organization established by the Nova Scotia government to develop and administer industry stewardship programs that increase diversion, enable the establishment of new industries based on the processing of materials diverted from the waste stream, and provide incentives to the people of Nova Scotia to reduce, reuse, recycle and compost.

2. Summary of significant accounting policies

Depreciation
Rates and bases of depreciation applied to write-off the cost of equipment over their estimated lives are as follows:

Field equipment	20%, straight-line
Office and warehouse equipment	20%, straight-line
Computer hardware and software	33⅓%, straight-line
Containers	
Bags	33⅓%, straight-line
Tubs	10%, straight-line
Vehicles	33⅓%, straight-line

Inventory
Inventory is valued at the lower of cost and net realizable value.

Unearned revenue
Unearned revenue represents deposits received from distributors for beverage containers that have not been returned for redemption. Unearned revenue consists of deposits received in the last sixty (60) days adjusted by the current year return rate.

Organizational costs
Organizational costs for new programs are amortized on a straight line basis over five years.

Income taxes
The organization is exempt from income taxes under Section 149(1)(d) of the *Canadian Income Tax Act*.

Revenue recognition
Resource Recovery Fund Board Inc. follows the deferral method of accounting for revenue.

Investment in affiliated company
The organization accounts for its investment in an affiliated company using the equity method.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, balances with banks and short term investments with maturity dates of 90 days or less. Bank borrowings are considered to be financing activities.

2. Summary of significant accounting policies *(continued)*

Financial instruments

Financial instruments include cash and cash equivalents, receivables, investment in affiliated company, note receivable from an affiliated company, payables and accruals and municipal solid waste diversion credits payable. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from financial instruments. The fair market value of these financial instruments are at least their carrying values.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Actual results may differ from those estimates.

3. Note receivable from an affiliated company

Note receivable from Novapet Inc., due March 31, 2005, bearing interest at the prime commercial lending rate.	2004	2003
	$ 163,863	$ 130,000
Non-interest bearing note receivable from Novapet Inc., due March 31, 2005.	21,280	–
	$ 185,143	$ 130,000

4. Investment in affiliated company

Resource Recovery Fund Board Inc. has a 60.8% ownership in Novapet Inc., a company that processes polyethylene terephthalate (PET) plastic beverage bottles into a flake for resale.

Novapet Inc. is accounted for in the Resource Recovery Fund Board Inc.'s financial statements using the equity method. Financial summaries of Novapet Inc. as at March 31, 2004 are as follows:

Financial Position	
Total assets	$ 1,275,904
Total liabilities	$ 801,491
Shareholders' equity	474,413
	$ 1,275,904
Results of Operations	
Total revenues	$ 4,070,350
Total costs of goods sold and expenses	4,009,038
Net profit	$ 61,312
Cash Flows	
Cash from operations	$ 71,997
Cash used in financing activities	(72,849)
Cash used in investing activities	(124,652)
Increase in cash and cash equivalents	$ (125,504)

6. Banking facilities

The organization has an operating line of credit of $2,500,000, all of which is unused at March 31, 2004.

7. Commitment

The organization has entered into agreements to lease office space and a warehouse. Minimum rent payable for the next three years on these leases are as follows:

2005	$ 99,088
2006	$ 96,164
2007	$ 10,067

8. Subsequent event

On April 30, 2004, the organization purchased land and a building in Amherst, Nova Scotia in the amount of $1,100,000. The organization assumed the lease of this property to Novapet Inc.

9. Related party transactions

During the year, the organization had the following transactions with an affiliated company:

(a) Sold polyethylene terephthalate (PET) plastic beverage bottles in the amount of $681,437 (2003 - $562,992) to an affiliated company. Included in trade accounts receivable is $79,395 (2003 - $104,491) owing from an affiliated company relating to these sales.

(b) During the year, the organization has accrued interest revenue of $11,958 (2003 - $5,000) from an affiliated company.

(c) Included in payables is $44,233 (2003 - $66,667) owing to an affiliated company.

(d) Incurred processing fees of $29,200 (2003 - $29,200) to an affiliated company.

5. Equipment

	Cost	Accumulated Depreciation	2004 Net Book Value	2003 Net Book Value
Field equipment	$ 224,775	$ 133,259	$ 91,516	$ 102,256
Office and warehouse equipment	97,138	84,094	13,044	14,852
Leasehold improvements	12,407	7,732	4,675	6,451
Containers	1,262,938	720,891	542,047	591,099
Computer hardware and software	462,287	421,727	40,560	64,640
Vehicles	170,441	94,346	76,095	81,737
	$ 2,229,986	$ 1,462,049	$ 767,937	$ 861,035

BOARD OF DIRECTORS

Mike Blanchard
President, Blanchard's Grocery Stores Ltd. (Retired)
Acting Chair and Member of the Executive Committee

Darrell Hiltz
CAO, Municipality of the District of Chester
Past Chair

Lloyd Matheson
Warden, Municipality of East Hants
Member of the Executive Committee

Gerard MacLellan
Executive Director of Environmental
Monitoring and Compliance Division
Nova Scotia Department
of Environment and Labour
Member of the Executive Committee

Dwight Whynot
President, Scotia Recycling Ltd.
Executive Vice-President
Minas Basin Pulp & Power Co. Ltd.
Member of the Executive Committee

Richie Cotton
Chair
Nova Scotia Solid Waste-Resource
Management Regional Chairs' Committee

John O'Donnell
President
Copol International

Jennifer Corson, M. Arch.
President
Renovators Resource Inc.

Joann Perrott
Regional Circulation Sales Manager
Eastern Canada
The Globe and Mail

Tim Dietrich
Area Manager
Dealer Operations
Home Hardware Stores Ltd.

Poul Thomsen
Project Engineer
(Retired)

Brian Miller
General Manager
Miller Tire Services Ltd.

Code of Conduct Compliance

The Resource Recovery Fund Board Inc.'s (RRFB) Board of Directors and management have reviewed the Company's Code of Conduct and are satisfied that the Board of Director's approach to corporate governance is consistent with the Code.

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